

State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 17, 2010

Transmitted Via E-Mail

Sara Stoddard, HR Generalist
Natural Selection Foods, L.L.C. dba Earthbound Farm
1721 San Juan Highway,
San Juan Bautista, CA 94045
sstoddard@ebfarm.com

Dear Ms. Stoddard:

RE: FINAL MONITORING VISIT REPORT for Natural Selection Foods, L..L.C. dba Earthbound Farm ET09-0231

Date of the Visit:	7/29/10
Beginning/Ending Time:	10:30 a.m. – 12:45 p.m.
Date of Last Visit:	4/14/09
Visit Location:	San Juan Bautista
Persons in Attendance:	Sara Stoddard, Earthbound Farm; Janice Ballard, Sallyanne Monti Consulting; and Teresa Teles, Employment Training Panel
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	10/20/08 – 10/19/10	Agreement Amount:	\$173,160
Allowed Training Start Date:	10/20/08	Average No. of Trainees	130
Date Training must be Completed:	7/19/10	Range of Hours:	24 - 200
Type of Trainee and Reimbursement Rate:	Retrainee \$18	Weighted Ave. Hours:	74

FINAL REPORT SUMMARY:

HISTORY OF AGREEMENT CHANGES

ETP approved one Agreement Modification on January 22, 2009, which added the occupation of Director.

RESPONSES FROM PROJECT ADMINISTRATOR:

What barriers, if any, did your company experience in implementing your ETP project?

- EBF didn't have a formal, structured training program in place which made gaining momentum on the ETP project difficult.
- Majority of employee training is regulatory in nature; either OSHA or Food Safety related. Not much training on development of "soft skills".
- Seasonal operating schedule exempted majority of employees from participating.

What problems, if any, did your company experience with ETP record keeping?

- Struggled with noting ONLY pre-approved training topics.
- Instructors would write their name, but not sign.

What assistance could ETP have provided that would improve the process for future Contractors?

- Not sure if this is an ETP or consultant thing, but it would be nice to have a running tally of where we are to goal in terms of training dollars. It would have been nice to see something showing how many training dollars we would receive at the end of the contract assuming all enrolled participants remained employed. Of course, this would be an estimated number with a few assumptions attached; but at least company would have a set of data to use for internal reports, etc.

How did your company benefit from the ETP training?

- Served as a catalyst to promote training and development across the company; opened up management's mind to benefits of training since they weren't seeing any money coming from their budget for training expenses!

PROJECT STATUS:

Trainees Started Training:	195	Dropped Following Enrollment:	3
Trainees Enrolled:	221	Completed Training and Retention	71

At the time of the final

meeting 71 trainees had completed the required hours of training (47% percent of planned retentions) for an estimated reimbursement of \$70,029 (40% of the encumbered amount). You gave Ms. Ballard additional rosters that will be reviewed and the hours entered if eligible, which will increase the total hours of training and the earned amount.

You reported that the ETP funding was helpful to begin to change to culture of the company towards training and management began to see the value of a formal training program. The company was not able to earn all the ETP funds because it went through a new regulatory training and compliance program to be certified to sell its products at Costco and Wal-Mart. This certification program required extensive training but it was not ETP eligible as most of it was regulatory. Also, part of the year the production moves out-of-state and that training is also not eligible. Further, there were changes in the project administrator which slowed the follow-up of training documentation.

ATTENDANCE ROSTERS:

Ms. Teles reviewed rosters for a sample of trainees who completed training. The documentation reviewed appears to be in compliance with ETP requirements and matches the hours entered into ETP's On-line Tracking System.

SUBAGREEMENTS/TRAINING VENDORS:

Documentation of training vendors was reviewed and approved for the following: IDEX, Lighthouse Food Safety & Quality Training, Office Star Computer Training Center, Sallyanne Monti Consulting, Total Business Consulting Group.

AUDIT:

Natural Selection Foods will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Teresa Teles at (650) 655-6940 or at tteles@etp.ca.gov within ten (10) working days from receipt of this report.

Sincerely,
Creighton Chan, Manager
San Francisco Bay Area Regional Office
Teresa Teles, Analyst
San Francisco Bay Area Regional Office

cc: Janice Ballard, jb.saconsult@yahoo.com
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor August 18, 2010